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AZ CORP COMMISSION
DOCKET CONTROL

March 22, 2010

Via FedEx

Docket Control - Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007-2927

Re: Docket No. T-03654A-10-0002

NOTICE OF CONSUMMATION & COMPLIANCE FILING

Application of Level 3 Communications, LLC for a Limited Waiver of the
Public Utility Holding Companies and Affiliated Interest Rules

Dear Docket Control:

Level 3 Communications, LLC, through undersigned counsel, hereby informs the Commission of the consummation of the financing arrangement, including the guarantee of the \$640 million note issuance, approved by the Commission in the above referenced docket. In addition, in compliance with Decision No. 71507, Level 3 Communications, LLC files the relevant portions of the Indenture dated January 20, 2010, which was filed as Form 8-Ks with the SEC on January 21, 2010. Article 13 of that Agreement governs the guarantee provided by Level 3 Communications, LLC.

An original and ten (10) copies of this letter are enclosed. Please date stamp and return the enclosed extra copy of this letter. Questions regarding this matter may be addressed to the undersigned.

Respectfully submitted,

Catherine Wang
Danielle Burt

cc: Greg Rogers
Michael T. Hallam

Arizona Corporation Commission
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LEVEL 3 COMMUNICATIONS, INC.,

as Guarantor,

LEVEL 3 FINANCING, INC.,

as Issuer,

and

THE BANK OF NEW YORK MELLON,

as Trustee

Indenture

Dated as of January 20, 2010

10% Senior Notes Due 2018

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EXHIBIT E - Form of Offering Proceeds Note Guarantee

EXHIBIT F - Form of Offering Proceeds Note Subordination Agreement

EXHIBIT G - Form of Supplemental Indenture (Subordination of Note Guarantees)

INDENTURE, dated as of January 20, 2010, among Level 3 Communications, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called "Parent"), having its principal office at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, Level 3 Financing, Inc. (the "Issuer"), having its principal office at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, and The Bank of New York Mellon, a New York banking corporation, as Trustee (herein called the "Trustee").

RECITALS OF THE ISSUER

The Issuer has duly authorized the creation of an issue of 10% Senior Notes Due 2018 (the "Initial Securities") and, if and when issued pursuant to a Registered Exchange Offer or Private Exchange Offer pursuant to a Registration Agreement for the Initial Securities, 10% Senior Notes Due 2018 (the "Exchange Securities" and, together with the Initial Securities, the "Securities"), of substantially the tenor and amount hereinafter set forth, and to provide therefor the Issuer and Parent have duly authorized the execution and delivery of this Indenture.

All things necessary have been done to make the Securities, when executed by the Issuer and authenticated and delivered hereunder and duly issued by the Issuer, the valid and legally binding obligations of the Issuer and to make this Indenture a valid and legally binding agreement of each of Parent, the Issuer and the Trustee, in accordance with their and its terms.

Simultaneously with the closing of the offering of the Initial Securities, the Issuer will lend the net proceeds of the issuance of the Securities and certain cash on hand to Level 3 LLC in return for the Offering Proceeds Note. Currently, Level 3 LLC is the obligor on the Parent Intercompany Note. Pursuant to the Parent Intercompany Note Subordination Agreement, Level 3 LLC's obligations under the Parent Intercompany Note will be subordinated to its obligations under the Offering Proceeds Note upon the limited circumstances set forth therein. As set forth herein, under certain circumstances, Restricted Subsidiaries will be required to enter into a Note Guarantee and an Offering Proceeds Note Guarantee and subordinate certain intercompany obligations to their obligations under such guarantee pursuant to the Parent Intercompany Note Subordination Agreement. On March 13, 2007, Parent, as guarantor, the Issuer, as borrower, Merrill Lynch Capital Corporation, as administrative agent and collateral agent, and certain lenders entered into a credit agreement pursuant to which the lenders extended a \$1.4 billion senior secured term loan to the Issuer. The Issuer lent the proceeds of the term loan to Level 3 LLC in return for the Loan Proceeds Note. On April 16, 2009, the parties thereto amended and restated the credit facility to increase the borrowings thereunder through the creation of a \$220 million Tranche B Term Loan, increased by \$60 million to \$280 million by amendment on May 15, 2009, that matures on March 13, 2014. The Issuer lent the net proceeds of the Tranche B Term Loan, together with cash on hand, to Level 3 LLC and the Loan Proceeds Note was amended and restated to increase the principal amount by \$280 million. Pursuant to the Offering Proceeds Note Subordination Agreement, Level 3 LLC's obligations under the Offering Proceeds Note will be subordinated to its obligations under the Loan Proceeds Note upon the limited circumstances set forth therein.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

ARTICLE THIRTEEN

Guarantees and Offering Proceeds Note Guarantees

SECTION 1301. Guarantees. Each Guarantor hereby unconditionally guarantees, jointly and severally, to each Holder and to the Trustee and its successors and assigns (a) the full and punctual payment of principal of (and premium, if any) and interest on the Securities when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, and all other monetary obligations of the Issuer under this Indenture and the Securities and (b) the full and punctual performance within applicable grace periods of all other obligations of the Issuer under this Indenture and the Securities (all the foregoing being hereinafter collectively called the "Obligations"). Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice or further assent from such Guarantor, and that such Guarantor will remain bound under this Article Thirteen notwithstanding any extension or renewal of any Obligation.

Each Guarantor waives presentation to, demand of, payment from and protest to the Issuer of any of the Obligations and also waives notice of protest for nonpayment. Each Guarantor waives notice of any default under the Securities or the Obligations. The obligations of each Guarantor hereunder shall not be affected by (a) the failure of any Holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Securities or any other agreement or otherwise; (b) any extension or renewal of any thereof; (c) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Securities or any other agreement; (d) the release of any security held by any Holder or the Trustee for the Obligations or any of them; (e) the failure of any Holder or the Trustee to exercise any right or remedy against any other guarantor of the Obligations; or (f) any change in the ownership of such Guarantor.

Each Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any Holder or the Trustee to any security held for payment of the Obligations.

Except as expressly set forth in Sections 805, 806, 1017, 1019, 1202, 1203, 1303 and 1308, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any Holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Securities or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other

act or thing which may or might in any manner or to any extent vary the risk of such Guarantor or would otherwise operate as a discharge of such Guarantor as a matter of law or equity.

Each Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of (or premium, if any) or interest on any Obligation is rescinded or must otherwise be restored by any Holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise.

In furtherance of the foregoing and not in limitation of any other right which any Holder or the Trustee has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Issuer to pay the principal of (or premium, if any) or interest on any Obligation when and as the same shall become due, whether at Stated Maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Obligation, each Guarantor hereby promises to and will, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the Holders or the Trustee an amount equal to the sum of (i) the unpaid amount of such Obligations, (ii) accrued and unpaid interest on such Obligations (but only to the extent not prohibited by law) and (iii) all other monetary Obligations of the Issuer to the Holders and the Trustee.

Each Guarantor agrees that it shall not be entitled to any right of subrogation in respect of any Obligations guaranteed hereby until payment in full in cash of all Obligations. Each Guarantor further agrees that, as between it, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article Five for the purposes of such Guarantor's Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such Obligations as provided in Article Five, such Obligations (whether or not due and payable) shall forthwith become due and payable by such Guarantor for the purposes of this Section.

Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Section 1301.

SECTION 1302. Contribution. Each of the Issuer and any Guarantor (a "Contributing Party") agrees that, in the event a payment shall be made by any other Guarantor under any Note Guarantee (the "Claiming Guarantor"), the Contributing Party shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment multiplied by a fraction, the numerator of which shall be the net worth of the Contributing Party on the date hereof and the denominator of which shall be the aggregate net worth of the Issuer and all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 901, the date of the supplemental indenture executed and delivered by such Guarantor).

SECTION 1303. Release of Guarantees. The Note Guarantee of a Guarantor (other than Parent) will be released (a) in connection with any sale or other disposition of all or

substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) Parent or a Restricted Subsidiary, if the sale or other disposition of all or substantially all of the assets of that Guarantor complies with Section 1016 (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of Section 1016 relating to application of the proceeds of such sale or disposition), (b) in connection with any sale of all of the Capital Stock of a Guarantor (other than Parent) to a Person that is not (either before or after giving effect to such transaction) Parent or a Restricted Subsidiary, if the sale of all such Capital Stock of that Guarantor complies with Section 1016 (or Parent certifies in an Officers' Certificate to the Trustee that it will comply with the requirements of Section 1016 relating to application of the proceeds of such sale or disposition), (c) if Parent properly designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary pursuant to Section 1019 or (d) if the Issuer exercises the legal defeasance option or covenant defeasance option in accordance with Article Twelve.

SECTION 1304. Successors and Assigns. This Article Thirteen shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the Holders and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Securities shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 1305. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the Holders in exercising any right, power or privilege under this Article Thirteen shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the Holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article Thirteen at law, in equity, by statute or otherwise.

SECTION 1306. Modification. No modification, amendment or waiver of any provision of this Article Thirteen, nor the consent to any departure by any Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 1307. Execution of Supplemental Indenture for Future Guarantors. Each Subsidiary which is required to become a Guarantor pursuant to any Section of the Indenture shall promptly execute and deliver to the Trustee a supplemental indenture in the form of Exhibit C hereto pursuant to which such Subsidiary shall become a Guarantor under this Article Thirteen and shall guarantee the Obligations. Concurrently with the execution and delivery of such supplemental indenture, the Issuer shall deliver to the Trustee an Opinion of Counsel to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights

generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Guarantor is a legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms. Each Person then a Guarantor authorizes the Issuer to enter into such a supplemental indenture on its behalf.

SECTION 1308. Subordination of Note Guarantees. The Issuer, the Guarantors and the Trustee may, without notice to or consent of any holder of Securities, enter into one or more indentures supplemental to the Indenture substantially in the form of Exhibit G hereto, or amend any indenture supplemental to the Indenture entered into by the Issuer, such Guarantor and the Trustee for the purpose of adding an additional Note Guarantee pursuant to Section 1010, Section 1011 or Section 1020 to provide that the payment obligation on a Note Guarantee of a Guarantor (other than Parent or any Sister Restricted Subsidiary) be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of such Guarantor to the prior payment in full in cash of all obligations of such Guarantor under any Guarantee of, or obligation as borrower under, any Qualified Credit Facility Incurred by Parent or a Restricted Subsidiary in accordance with clause (ii) of paragraph (b) of Section 1010 or clause (ii) of paragraph (b) of Section 1011; provided, however, that (x) the terms of the subordination of a Note Guarantee to any such Guarantee of, or obligation as borrower under, a Qualified Credit Facility may not eliminate or otherwise adversely affect the subordination of the payment obligation on any other Debt of such Guarantor to the payment obligation of the Note Guarantee of such Guarantor and (y) any Guarantee (other than a Guarantee of such Qualified Credit Facility) by such Guarantor of the 10.75% Notes, the 12.25% Notes, the 2011 Floating Rate Notes, the 9.25% Notes, the 2015 Floating Rate Notes, the 8.75% Notes or any other Debt of Parent or any Sister Restricted Subsidiary also shall be expressly subordinated in any bankruptcy, liquidation or winding up proceeding of such Guarantor to the prior payment in full in cash of all obligations of such Guarantor under its Guarantee of such Qualified Credit Facility to at least the same extent and on the same terms and conditions as the subordination provisions applicable to such Guarantor's Note Guarantee.

SECTION 1309. Execution of Offering Proceeds Note Guarantees for Future Offering Proceeds Note Guarantors; Subordination of Offering Proceeds Note Guarantee. (a) Each Subsidiary which is required to become an Offering Proceeds Note Guarantor pursuant to any Section of the Indenture shall promptly execute, and deliver a copy to the Trustee of, an Offering Proceeds Note Guarantee substantially in the form set forth in Exhibit E hereto pursuant to which such Subsidiary shall become an Offering Proceeds Note Guarantor. Concurrently with the execution and delivery of such Offering Proceeds Note Guarantee, the Issuer shall deliver to the Trustee an Opinion of Counsel to the effect that such Offering Proceeds Note Guarantee has been duly authorized, executed and delivered by such Subsidiary and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor is a legal, valid and binding obligation of such Offering Proceeds Note Guarantor, enforceable against such Offering Proceeds Note Guarantor in accordance with its terms. Any Offering Proceeds Note Guarantee of an Offering Proceeds Note

Guarantor will be released on the terms, and as set forth in, the form of Offering Proceeds Note Guarantee attached as Exhibit E hereto.

(b) Each Offering Proceeds Note Guarantor required expressly to subordinate the payment obligation of certain intercompany Debt to obligations with respect to the Offering Proceeds Note Guarantee of such Offering Proceeds Note Guarantor pursuant to, and on terms set forth in, clause (vi) of paragraph (b) of Section 1010 or clause (iv) of paragraph (b) of Section 1011, shall promptly execute, and deliver a copy to the Trustee of, a supplement to the Parent Intercompany Note Subordination Agreement in substantially the form attached as Exhibit D hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

LEVEL 3 FINANCING, INC., as Issuer

By /s/ Thomas C. Stortz
Name: Thomas C. Stortz
Title: Executive Vice President and Chief
Legal Officer

LEVEL 3 COMMUNICATIONS, INC., as Parent and a
Guarantor

By /s/ Neil J. Eckstein
Name: Neil J. Eckstein
Title: Senior Vice President and Assistant
General Counsel

THE BANK OF NEW YORK MELLON, as Trustee

By /s/ Geovanni Barris

Name: Geovanni Barris

Title: Vice President